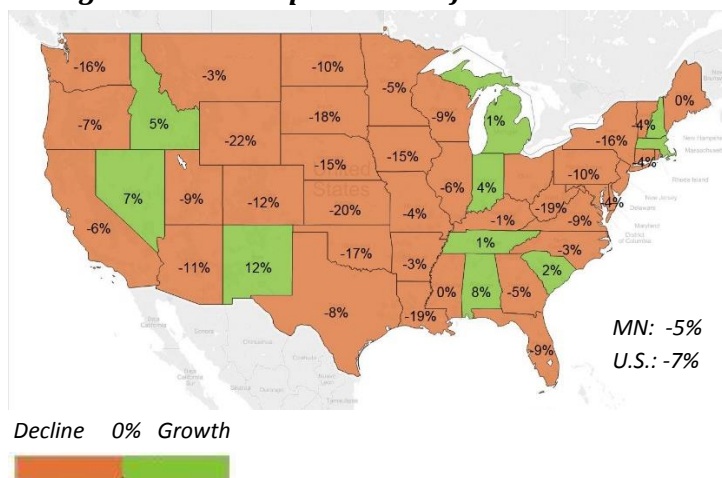


State Exports Declined 5 Percent in the First Quarter of 2016

- Minnesota exports (including agricultural, mining and manufactured products) were valued at \$4.6 billion, falling 5.2 percent between the first quarters of 2015 and 2016, less than the U.S. decline of 6.8 percent.
- State exports grew to three Top 10 markets – Mexico, Singapore and the United Kingdom – and in two Top 10 products – pharmaceuticals and stone/plaster goods.
- For the manufacturing sector alone, Minnesota manufactured exports were valued at \$4.4 billion in the first quarter of 2016, representing a decline of 5.2 percent during this period, less than the U.S. decline of 5.7 percent.

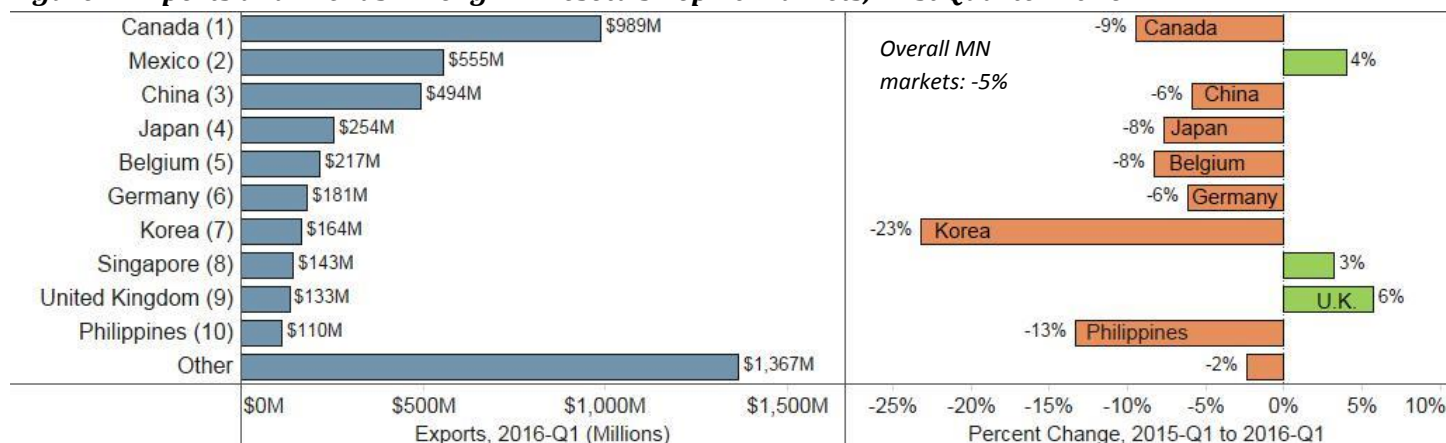
Figure 1. Weak Export Trends for Most States



Exports Fell to Most Regions But Rose 1 Percent to Central and South America

- Exports to **North America** were down 5 percent to \$1.5 billion. Growth in **machinery** (up 12 percent) and **aircraft and spacecraft** (up 135 percent) helped offset the steep drop in exports of **vehicles** (down 22 percent) to this region.
- Exports to **Asia** fell 6 percent, to \$1.5 billion. Sharp export declines in **machinery** (down 20 percent) and **optic and medical products** (down 11 percent) to **Asian** markets were partially mitigated by gains in various **chemical goods**.
- In **Central and South America**, **Guatemala** (up 460 percent to \$16 million) contributed the most in export gains. Other markets such as **Peru** (up 61 percent), **Costa Rica** (up 21 percent) and **Colombia** (up 23 percent) also gained between \$4 million and \$5 million. Key products driving growth were **miscellaneous seeds, grains, fruits** (up 2,620 percent; led by growth in **soybean meal**), **cereals** (up 44 percent; led by growth in **corn**) and **pharmaceutical products** (up 63 percent; led by growth in **bandages**).
- Exports fell by 2 percent to the **European Union** (to \$1 billion in exports) and by 26 percent to the **Australia-Pacific** region (\$109 million).

Figure 2. Exports and Trends Among Minnesota's Top 10 Markets, First Quarter 2016



Widespread Decline but Growth in Chemicals, Corn and Pharmaceutical Products

- Between the first quarters of 2015 and 2016, **organic chemicals** (up 118 percent to \$45 million), **cereals** (up 73 percent to \$49 million), **miscellaneous chemicals** (up 43 percent to \$60 million) and **pharmaceuticals** (up 17 percent to \$88 million) gained the most in value. On the other hand, **vehicles** (down 21 percent to \$337 million), **optic and medical products** (down 9 percent to \$864 million), **miscellaneous grains, seeds, fruits** (down 43 percent to \$52 million) and **machinery** (down 3 percent to \$807 million) declined the most in value.
- Despite the overall drop in **optic and medical** exports, markets such as **Taiwan** (up 61 percent), **Singapore** (up 42 percent), the **Netherlands** (up 35 percent), **Costa Rica** (up 40 percent), and **India** (up 77 percent) grew strongly.
- Exports of **machinery** surged to **Canada** (13 percent), **Belgium** (30 percent), **Mexico** (11 percent), and **Poland** (up 112 percent) despite falling sharply to **China** (down 26 percent) and the **Netherlands** (down 41 percent).
- Global sales of **cereals** (over 90 percent of which was **corn**) jumped 73 percent, to \$49 million, driven by **Mexico** (up 169 percent), **Colombia** (up \$8 million) and other Central America markets (**Guatemala**, **El Salvador** and **Panama**).
- Although exports of **aircraft and spacecraft** products (consisting of mainly aircraft parts) fell 16 percent between the first quarters of 2015 and 2016, they grew strongly to **Canada** (up 169 percent to \$25 million), which helped offset the steep decline to **Singapore** (down 47 percent to \$15 million).
- The state's top four markets for **vehicles** – **Canada** (down 17 percent), **Mexico** (down 32 percent), **Belgium** (down 35 percent) and **Australia** (down 33 percent) – accounted for more than three-quarters of the state's exports of these products. Weaker demand led to **passenger vehicles, vehicle parts** and **specialty vehicles** exports falling sharply.
- Food by-products** exports fell 1 percent to \$138 million. Increased sales of these goods to **Mexico** (up 49 percent to \$51 million), **Japan** (up 405 percent to \$14 million) and **Guatemala** (up to \$3 million, from less than \$75,000) helped offset declines to **Canada** (down 48 percent to \$22 million), **China** (down 28 percent to \$10 million) and **Thailand** (down 40 percent to \$5 million).

Figure 3. Major Minnesota Markets for Food By-Products

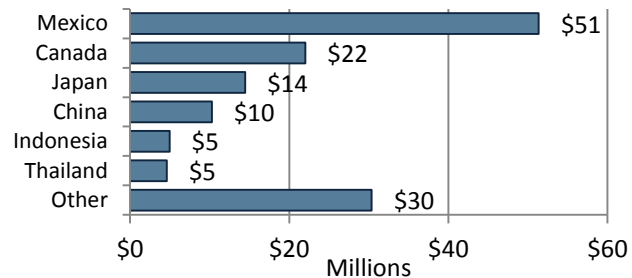
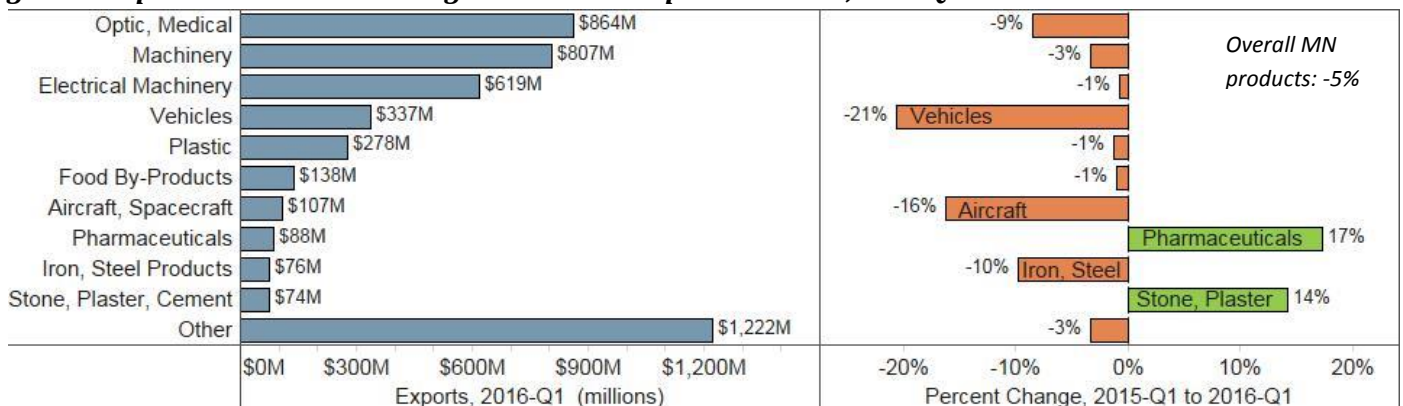


Figure 4. Exports and Trends Among Minnesota's Top 10 Products, First Quarter 2016



Minnesota Quarterly Export Statistics is the most current resource available for tracking the state's manufactured export trends and is prepared for the Minnesota Trade Office (MTO) by the Department of Employment and Economic Development's (DEED) Economic Analysis Unit (Thu-Mai Ho-Kim). The quarterly and annual statistics reports primarily cover export data based on the Harmonized Tariff System (Schedule B), collected by the U.S. Department of Commerce (USDOC) and distributed by IHS Maritime & Trade. Reports are available on DEED's website at "Export and Trade Statistics" (<http://mn.gov/deed/data/export-stats/>).